ATTACHMENT #6
TECHNICAL GUIDELINES

1. Supplemental appropriations
   Supplemental requests for general revenue should be limited to those programs and services with a change in circumstance. Without a compelling change in circumstance, no supplemental funding should be expected. Reserves should be released and an offset provided before supplemental appropriations are funded. If a supplemental is necessary, agencies must enter the request into the SAM II budget preparation system. Supplemental requests should be submitted in paper form and electronically to Budget and Planning with the October 1 Fiscal Year 2009 budget submission using the supplemental new decision item form.

2. SAM II Coding Information
   a. Chart of Accounts – The organization and appropriation structures are established through the Chart of Accounts being used in SAM II. Changes to the organization or appropriation structures will directly affect how the purchasing and accounting functions will operate during the fiscal year. Agencies should seriously consider the impact of any proposed organization or appropriation structure changes. Any planned changes in organization or appropriation structures should first be discussed with your assigned budget analyst. The Division of Budget and Planning will discuss any proposed changes to the organization or appropriation structures with the other Office of Administration divisions in advance of approval.

   b. Appropriation numbers – During budget preparation, agencies must assign appropriation numbers to decision items. For new decision items in the operating, leasing, and supplemental budgets, agencies will assign the appropriation number used for core if the item will become part of the core's line item amount. If the decision item needs to be line-itemed separately (for example, an information technology item), the agency should contact Jean Kurtz (751-9308) to have a new appropriation number assigned. These appropriation numbers will directly affect the information and budget control in the SAM II system. Agencies should seriously consider the impact of assigning appropriation numbers in the budget system. Separate appropriation numbers will continue to be assigned to personal service appropriations and to expense and equipment appropriations.

   c. Budget Year Planned Expenditure – Budget Year requests should reflect an agency's planned expenditures. It is essential that you allocate the core budget amounts into the budget object classes for your proposed spending plan. Changes in current year amounts will not be made unless an error occurred. If a change is necessary to the current year amounts, the agency should contact Jean Kurtz (751-9308) to request that the change be made.

   d. Decision Item Narrative – Departments should add a description of each new decision item to the textbox of the decision item information table. This description will be printed in multiple reports that are used by the Governor's office, Budget and Planning, and the General Assembly. The description should be a concise explanation of the new decision item.

   e. One-Times – Departments will enter all one-time amounts in two columns on the new decision item budget form. One-times are first entered as a positive number in the "Amount" column along with any ongoing expenditures in that budget object class. They are then entered as a negative number in the "1X Amount" column. This also holds true for one-time FTE. If the department is requesting one-time FTE, they should be entered as a positive number in the "FTE" column and a negative number in the "1X FTE" column.

   f. PS/E&E/PSD – The budget object classes requested for an appropriation establish the SAM II budget controls. Agencies should request the applicable budget object classes for each appropriation. Requests to add budget object classes once the budget has been approved should

be minimal. Agencies that are part of the statewide information technology consolidation should not reallocate core funds to object class 480 (computer equipment), but may transfer funds to the Information Technology Services Division (ITSD) in the Office of Administration.

Requests for new funds may include object class 480. If new funding is included in the final budget, ongoing funds related to information technology will be transferred to ITSD in Fiscal Year 2010.

3. <u>Core Budget Request</u>
Core requests will equal appropriations less vetoes less one-time expenditures less department requested core reductions or reallocations plus net core transfers. Results of any core budget review and decisions will be included in the Governor's recommendations. All core budget requests will be ranked 1. Ranks 2, 3 and 4 are reserved for the use of the Governor. **Ranking of new decision items other than any statewide pay plan should begin at 5**.

<u>Statewide Core Decision Items</u>
For statewide reporting purposes, all agencies will use the following decision items to reflect changes to their core request.

0000002 Transfers In	Used for amounts transferred in <u>from another department</u>.
0000003 One-time Reduction	Used for the reduction of one-time amounts.
0000004 Transfers Out	Used for amounts transferred out <u>to another department</u>.
0000005 Core Reductions	Used for reductions to the core amount other than reductions for one-time amounts.
0000006 Core Reallocations	Used for moving amounts within the department whether it is within a single budgeting unit or across multiple budgeting units. These should net to zero within the department. In general, reallocations should not be made between funds.

A core request may have multiple core changes for the same decision item code. A separate BRASS budget form must be used for each core change that is requested. For example, two budget forms will be used if funding is being reallocated from two different cores into another core. Using multiple budget forms provides the information necessary for decision makers to review the various core changes. If you are unsure how to enter core changes, please contact your assigned budget analyst.

Departments should add a description in the justification tab for each core change. These descriptions will be included in BRASS report 18a - core changes (reconciliation) detail.

4. <u>Overtime Pay</u>
The use of separate House Bill sections will continue for appropriations to certain agencies to pay overtime. The requirement applies to nonexempt state employees providing direct client care or custody in facilities operating on a twenty-four-hour, seven-day-a-week basis in the Department of Corrections, Department of Mental Health, Division of Youth Services in the Department of Social Services, and the Veterans Commission in the Department of Public Safety. A statewide decision item number (0000020) should be used for any additional requests for overtime pay. Do not request FTE for overtime pay. Agencies may use the generic job class called "Other" (999999) for budgeting overtime pay.

5. Cost Allocation
    The budget will continue to allocate costs for central administrative costs and workers' compensation claims to the appropriate fund source. The same methods of transfer reimbursement will be employed as in the past.

6. Estimated appropriations
    Over the past several years the number of estimated ("E") appropriations approved by the General Assembly has been declining. Agencies are encouraged to make their best estimate of expenditures for each estimated appropriation and include budget requests for any increases, if necessary. In lieu of Es on specific federal appropriations, agencies who do not already have a generic, open-ended federal appropriation for funds that become available between sessions should request that authority. (See, for example, Section 10.640 in the Department of Health and Senior Services.) Agencies should keep Budget and Planning and legislative staff up-to-date on any changes in cost projections throughout the process. Agencies are also encouraged to provide a strong rationale for maintaining any estimated appropriation. If an "E" is requested, remember to insert it in BRASS by using the "Info Edit/Approp". An "E" should be typed in the "Gov Est" field through "Conf Est" field. Please provide a comprehensive list of requested "Es" to Budget and Planning with the October 1 submission (electronic is acceptable).

7. One-Time Appropriation Requests
    Agencies must identify the ongoing and one-time costs of any proposed expenditure requests. For example, ongoing maintenance costs for proposed equipment purchases must be included to ensure appropriate evaluation of the cost effectiveness and rationale for the request.

8. Budget Submission
    All budgets should be printed in 8 1/2 x 11 format. Both sides of the paper should be used to decrease the use of paper. For the October 1st submission, departments are encouraged not to spend money on nice covers, dividers, binders, binding, etc. A stapled or clipped copy of the forms is fine for the initial draft submission.

    Detailed below are instructions on the order the information should appear in the budget book. Departments should group together (on one request form) cross agency requests that involve multiple budgeting units. As detailed below, department-wide requests should be included before the department's first core request.

    For requests that cross budgeting units but are not department-wide, departments should also complete one request form. These forms should not be duplicated in multiple places in the budget book. Instead, departments should place such forms in the single place in the budget that makes the most sense.

    Budget Book Order:
    Overview Information:
    1. Transmittal Letter (Optional)
    2. Table of Contents
    3. Department Overview Paragraph
    4. State Auditor's Reports, Oversight Evaluations, or MO Sunset Act Reports Form
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    Department-Wide Requests, Including Pay Plan:
    5. Overtime New Decision Item Form (if applicable, one form for the whole department)
    6. Overtime Decision Item Detail Reports (BRASS Report 10) for all budgeting units
    7. Department-Wide New Decision Item Form #1 (some departments may not have any department-wide new decision items)
    8. Department-Wide Decision Item Detail Reports (BRASS Report 10) for all budgeting units

9. Department-Wide New Decision Item Form #2 (etc. for all department-wide new decision item requests)
10. Department-Wide Decision Item Detail Reports (BRASS Report 10) for all budgeting units
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Core and New Decision Item Requests:
11. Decision Item Summary Report (BRASS Report 9) for core budgeting unit #1
12. Core Decision Item Form
13. Core Reconciliation Report (BRASS Report 18a). See explanatory note below on how to run this report.
14. Flexibility Request Form (if applicable)
15. Decision Item Detail Report (BRASS Report 10)
16. Program Description Form #1
17. Program Description Form #2 (etc. for all program description forms under this core)
18. New Decision Item Form #1
19. Decision Item Detail Report (BRASS Report 10)
20. New Decision Item Form #2 (etc. for all new decision items under this core)
21. Decision Item Detail Report (BRASS Report 10)
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22. Repeat #12 - #21 for all core budgeting units

Other Submissions
1. Fiscal Year 2008 supplemental requests – Submit paper and electronic copies.
2. Fund Financial Summaries – Submit both a paper and electronic copy.
3. Tax Credit Analysis Forms – Submit both a paper and electronic copy.
4. A comprehensive list of flexibility requests and requests for "E"s.

DO NOT SUBMIT the following reports in the budget book:
- Brass Report 1a
- BRASS Report 1b
- BRASS Reports 2-8

For the October 1st submission, departments should provide the following number of copies:

- 5 copies of the Budget Book and the Other Submissions to Senate Appropriations and House Appropriations;
- 1 copy, each, of the Budget Book and the Other Submissions to Legislative Oversight and to the Legislative Budget Office (Capitol room 117A);
- 3 copies of the Budget Book and the Other Submissions to Budget and Planning; and
- 1 copy of the Coding Detail Report (BRASS Report 11) to Senate Appropriations, House Appropriations and Legislative Oversight.

11. Helpful BRASS Reports

Core Reconciliation
Report 14a Core Rec-Dept $ (1YR) reconciles core beginning with current year budgeted dollar amounts and adds or subtracts core dollar changes. Report 14c Core Rec-Dept FTE (1YR) reconciles core beginning with current year budgeted FTE amounts and adds or subtracts core FTE changes. When running any of these reports, the user selects the fund to be used on the report. The user may select a specific fund number or select FED for all federal funds, OTHER for all other funds, or STATE for all funds. Selecting GR or 0101 will give you the same results. The user may run the report at the department level which results in the items being displayed by budgeting unit or at the budgeting unit level which results in the items being displayed by appropriation.

Core Decision Item Form

Three BRASS reports will help departments complete the Core Decision Item Form.

1. Report 15a – Core Summary (1YR)
   - Use to assist in completing Question 1 (Core Financial Summary) of the Core Decision Item form. Numbers <u>will</u> need to be entered into the Excel document.

   - When running this report, select your agency. The number used in the Approp box will be your three digit agency number followed by two 0's and a C. The number used in the AgOrg box will be your three digit agency number followed by four 0's and a C. Any deviation from using the above selections could result in inaccurate data being displayed on the report.

2. Report 16 – Core Financial History
   - To assist in completing Question 4 (Financial History) of the Core Decision Item form.

   - Numbers need to be entered into the Excel document.

   - Agencies will need to adjust the appropriation amount and unexpended by fund amounts in the actual columns for any increases in estimated appropriation. BRASS appropriation amounts are the final amounts approved in the regular and supplemental bills only. *Hint: if the unexpended amount is negative on the BRASS report it is likely that an estimated appropriation was increased.*

   - Agencies may need to adjust the unexpended amounts due to rounding. Actual expenditures in the financial system are recorded in dollars and cents. When actual expenditures are loaded into BRASS the data is rounded to the nearest dollar by budget object class and job class. This could result in the unexpended amount for a fund to be a dollar or so negative.

   - When running this report, select your agency. The number used in the Approp box will be your three digit agency number followed by two 0's and a C. The number used in the AgOrg box will be your three digit agency number followed by four 0's and a C. Any deviation from using the above selections could result in inaccurate data being displayed on the report.

3. Report 18a – Core Changes (Reconciliation) Detail (1YR)
   - Use for Question 5 (Core Reconciliation).

   - Numbers **do not** need to be entered into the Core Decision Item Excel document. Place the applicable BRASS page after Question 4 of the Core Decision Item form for each core decision item.

   - When entering core changes into BRASS, the justification tab is limited to 5 lines of text. Agencies will need to be concise when explaining the change, because the justification text appears on this report.

   - Reallocations of job classes within the same personal service appropriation will not appear on the report even though it was entered into BRASS since the net result for the budgeting unit is $0. The same is true for reallocations of expense and equipment budget object classes within the same expense and equipment appropriation. Any reallocations between personal service and expense and equipment appropriations or other reallocations between appropriations within a budgeting unit will appear on the report even if the net result for the budget unit is $0 since the amount for the appropriation has changed.

   - As stated in the budget instructions, a core request may have multiple core changes for the same decision item code. A separate BRASS form must be used for each core change that is requested. For example, two budget forms will be used if funding is being reallocated from two different cores into another core.

- It may take 15 minutes or so for this report to run due to complexity and amount of data being pulled into the report.

- When running this report, select your agency. The number used in the Approp box will be your three digit agency number followed by two 0's and a C (For example: MoDOT's would be 60500C). The number used in the AgOrg box will be your three digit agency number followed by four 0's and a C (For example: MoDOT's would be 6050000C). Any deviation from using the above selections could result in inaccurate data being displayed on the report. Also, do not run this report at the budget unit level as this level of detail is not needed in the budget books.